

## HOUSE BILL NO. 8

INTRODUCED BY D. LEWIS

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT SWITCHING ~~\$223,575~~ \$198,575 OF FUNDING FOR CULTURAL AND AESTHETIC GRANTS FROM THE GENERAL FUND TO THE LODGING FACILITY USE TAX; AMENDING SECTION 15-65-121, MCA, AND SECTION 2, CHAPTER 434, LAWS OF 2001; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 2, Chapter 434, Laws of 2001, is amended to read:

**"Section 2. Appropriation of general fund, lodging facility use tax, and cultural and aesthetic grant funds.** (1) (a) There is appropriated \$300,000 of general fund money in fiscal year 2002 ~~and \$223,575 of general fund money in fiscal year 2003~~ to the Montana arts council for the projects approved in this section. The general fund appropriation is a continuing appropriation for the biennium.

(b) There is appropriated in fiscal year 2003 to the Montana arts council for the projects approved in this section ~~\$223,575~~ \$198,575 of the lodging facility use tax money that had been appropriated to the department of commerce under 15-65-121(1)(d).

(2) The following projects are approved and amounts are appropriated to the Montana arts council for the biennium ending June 30, 2003, from the cultural and aesthetic projects account first and the general fund last:

(a) Category 1 - Special Projects \$4,500 or Less:

Grantee	Amount
Montana Storytelling Roundup	\$4,500
Council for the Arts, Lincoln	2,500
Miles City Preservation Commission	4,000
Montana Oral History Association	4,000
All Nations Pishkun Association	3,000
Swan Ecosystem Center	2,800

1	(b) Category 2 - Special Projects:	
2	Montana Committee for the Humanities	32,000
3	VIAS, Inc.	22,000
4	Glacier Orchestra & Chorale	22,000
5	MCT, Missoula Children's Theatre	10,000
6	KUFM-TV	11,000
7	Bozeman Symphony	10,000
8	Hockaday Museum of Art	15,000
9	Miles Community College	6,000
10	Valley County Coalition	12,000
11	Montana Repertory Theatre	20,000
12	Missoula Symphony Association	5,000
13	Montana Arts	20,000
14	Montana Historical Society	20,000
15	Montana Performing Arts Consortium	20,000
16	Rocky Mountain Ballet Theater	7,000
17	Lewistown Art Center	8,000
18	Museum of the Rockies	10,000
19	Southwest Montana Arts Council	10,000
20	Montana Alliance for Arts Education	10,000
21	VSA of Montana	7,000
22	Madison Valley Cultural Corp.	4,000
23	Artslink, College of Arts & Architecture, MSU	5,000
24	Mineral Museum	5,000
25	(c) Category 3 - Operational Support:	
26	Western Heritage Center	14,000
27	Montana Art Gallery Directors Association	25,000
28	Writer's Voice (Billings YMCA)	25,000
29	Custer County Art Center	22,000
30	Carbon County Historical Society	16,000

1	Art Museum of Missoula	20,000
2	Shakespeare in the Parks	18,000
3	Billings Symphony Society	20,000
4	Alberta Bair Theater	18,000
5	Montana Dance Arts Association	5,000
6	Great Falls Symphony Association	12,000
7	Butte Center for the Performing Arts	20,000
8	Fort Peck Community College	15,000
9	Schoolhouse History and Art Center	20,000
10	Young Audiences of Western Montana	10,000
11	Holter Museum of Art	10,000
12	Montana Agricultural Center & Museum	12,000
13	Archie Bray Foundation	15,000
14	Butte Symphony Association	15,000
15	Growth Thru Art Inc.	20,000
16	Vigilante Theatre Company	18,000
17	Helena Symphony Association	12,000
18	Big Horn Arts & Crafts Assoc./Jailhouse Gallery	10,000
19	Montana Association of Symphony Orchestras	15,000
20	Montana Transport Company	12,000
21	Yellowstone Art Museum	20,000
22	Whitefish Theatre Company	10,000
23	Montana Ballet Company	10,000
24	Livingston Depot Foundation	15,000
25	Yellowstone Ballet Company	6,000
26	Artist Group, The	1,600
27	(d) Category 4 - Capital Expenditures:	
28	Cascade County Historical Society	20,000
29	Billings Preservation Society	20,000
30	Butte-Silver Bow Public Archives	20,000

1	Belt Public Library	16,500
2	Arlee Historical Society	1,655
3	Fort Peck Fine Arts Council	16,000
4	Daly Mansion	20,000
5	Paris Gibson Square	5,000
6	Liberty Village Arts Center	2,775
7	Tobacco Valley Improvement Assoc. Board of Art	18,000
8	Bitterroot Community Band	6,000
9	Great Falls Civic Center	6,800"

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11           **Section 2.** Section 15-65-121, MCA, is amended to read:

12           **"15-65-121. (Temporary) Distribution of tax proceeds.** (1) The proceeds of the tax imposed by  
13 15-65-111 must, in accordance with the provisions of 15-1-501, be deposited in an account in the state special  
14 revenue fund to the credit of the department. The department may spend from that account in accordance with  
15 an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing  
16 the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of  
17 15-1-501 and as provided in subsections (1)(a) through (1)(e) of this section, the department shall determine  
18 the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of that amount  
19 from the tax proceeds received each reporting period. The amount deducted must be deposited in the fund or  
20 funds from which in-state lodging expenditures were paid by state agencies. The amount of \$400,000 each year  
21 must be deposited in the Montana heritage preservation and development account provided for in 22-3-1004.  
22 The balance of the tax proceeds received each reporting period and not deducted pursuant to the expenditure  
23 appropriation, deposited in the fund or funds from which in-state lodging expenditures were paid by state  
24 agencies, or deposited in the heritage preservation and development account is statutorily appropriated, as  
25 provided in 17-7-502, and must be transferred to an account in the state special revenue fund to the credit of  
26 the department of commerce for tourism promotion and promotion of the state as a location for the production  
27 of motion pictures and television commercials, to the Montana historical society, to the university system, and  
28 to the department of fish, wildlife, and parks, as follows:

29           (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside  
30 historical signs and historic sites;

(b) 2.5% to the university system for the establishment and maintenance of a Montana travel research program;

(c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that have both resident and nonresident use;

(d) 67.5% to be used directly by the department of commerce, except as provided in [section 1]; and

(e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to regional nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds collected statewide; and

(ii) if 22.5% of the proceeds collected annually within the limits of a city, consolidated city-county, resort area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated city-county, resort area, or resort area district.

(2) If a city, consolidated city-county, resort area, or resort area district qualifies under this section for funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district is located.

(3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation may be used by the department of commerce for tourism promotion and promotion of the state as a location for the production of motion pictures and television commercials. (Terminates July 1, 2007--sec. 3, Ch. 469, L. 2001.)

**15-65-121. (Effective July 1, 2007) Distribution of tax proceeds.** (1) The proceeds of the tax imposed by 15-65-111 must, in accordance with the provisions of 15-1-501, be deposited in an account in the state special revenue fund to the credit of the department. The department may spend from that account in accordance with an expenditure appropriation by the legislature based on an estimate of the costs of collecting and disbursing the proceeds of the tax. Before allocating the balance of the tax proceeds in accordance with the provisions of 15-1-501 and as provided in subsections (1)(a) through (1)(e) of this section, the department shall determine the expenditures by state agencies for in-state lodging for each reporting period and deduct 4% of

1 that amount from the tax proceeds received each reporting period. The amount deducted must be deposited in  
2 the fund or funds from which in-state lodging expenditures were paid by state agencies. The balance of the tax  
3 proceeds received each reporting period and not deducted pursuant to the expenditure appropriation or  
4 deposited in the fund or funds from which in-state lodging expenditures were paid by state agencies is statutorily  
5 appropriated, as provided in 17-7-502, and must be transferred to an account in the state special revenue fund  
6 to the credit of the department of commerce for tourism promotion and promotion of the state as a location for  
7 the production of motion pictures and television commercials, to the Montana historical society, to the university  
8 system, and to the department of fish, wildlife, and parks, as follows:

9 (a) 1% to the Montana historical society to be used for the installation or maintenance of roadside  
10 historical signs and historic sites;

11 (b) 2.5% to the university system for the establishment and maintenance of a Montana travel research  
12 program;

13 (c) 6.5% to the department of fish, wildlife, and parks for the maintenance of facilities in state parks that  
14 have both resident and nonresident use;

15 (d) 67.5% to be used directly by the department of commerce; and

16 (e) (i) except as provided in subsection (1)(e)(ii), 22.5% to be distributed by the department to regional  
17 nonprofit tourism corporations in the ratio of the proceeds collected in each tourism region to the total proceeds  
18 collected statewide; and

19 (ii) if 22.5% of the proceeds collected annually within the limits of a city, consolidated city-county, resort  
20 area, or resort area district exceeds \$35,000, 50% of the amount available for distribution to the regional  
21 nonprofit tourism corporation in the region where the city, consolidated city-county, resort area, or resort area  
22 district is located, to be distributed to the nonprofit convention and visitors bureau in that city, consolidated  
23 city-county, resort area, or resort area district.

24 (2) If a city, consolidated city-county, resort area, or resort area district qualifies under this section for  
25 funds but fails to either recognize a nonprofit convention and visitors bureau or submit and gain approval for an  
26 annual marketing plan as required in 15-65-122, then those funds must be allocated to the regional nonprofit  
27 tourism corporation in the region in which the city, consolidated city-county, resort area, or resort area district  
28 is located.

29 (3) If a regional nonprofit tourism corporation fails to submit and gain approval for an annual marketing  
30 plan as required in 15-65-122, then those funds otherwise allocated to the regional nonprofit tourism corporation

1 may be used by the department of commerce for tourism promotion and promotion of the state as a location for  
2 the production of motion pictures and television commercials."

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4 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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